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This Slots Lease (hereinafter "Lease"), made effective October 1, 2001, is between New Jersey Transit Corporation acting for itself and through its subsidiary New Jersey Transit Rail Operations, Inc. (hereinafter collectively "NJ Transit" or "Lessee"), a public instrumentality of the State of New Jersey, with principal offices at One Penn Plaza East, Newark, New Jersey, and the National Railroad Passenger Corporation (hereinafter "Amtrak" or "Lessor"), a corporation organized under the Rail Passenger Service Act and the laws of the District of Columbia, with principal offices at Union Station, Washington, DC, hereby referred to collectively as the "Parties."

WHEREAS, Amtrak is the owner of the Northeast Corridor rail property and railroad infrastructure in the State of New Jersey and the State of New York, including points between Trenton, New Jersey and Pennsylvania Station, New York City ("Penn Station") and through to Sunnyside Yard in Queens, New York City; and

WHEREAS, Amtrak is the operator of intercity passenger rail service on the Northeast Corridor pursuant to applicable federal law; and

WHEREAS, Amtrak maintains the railroad infrastructure on the Northeast Corridor and Penn Station to enable train service to operate on Amtrak's railroad property; and

WHEREAS, NJ Transit, pursuant to the New Jersey Public Transportation Act of 1979, as amended, and other applicable law is authorized to operate rail passenger service carrying passengers in New Jersey and between points in New Jersey and points in other states; and

WHEREAS, the Parties cooperatively provide passenger rail service through the State of New Jersey to and from New York City, New York; and

WHEREAS, the "Northeast Corridor Related New Initiatives Capital Project Agreement Between New Jersey Transit Corporation and the National Railroad Passenger Corporation" dated February 1, 1993, as amended, (hereinafter "New Initiatives Agreement") provides that certain capital projects be funded, developed and built so as to increase the number of train Slots, as hereinafter defined below, on the Northeast Corridor rail road, principally in the States of New Jersey and New York; and

WHEREAS, the New Initiatives Agreement vests in NJ Transit a contractual right in certain Slots as per the terms and conditions of the New Initiatives Agreement executed between Amtrak and NJ Transit and, at this time, NJ Transit wishes to acquire a leasehold interest in certain Slots identified herein and Amtrak wishes to grant and convey a leasehold interest in such Slots to NJ Transit under a ninety-nine year lease; and

WHEREAS, the "Agreement Between National Railroad Passenger Corporation and New Jersey Transit Rail Operations, Inc. Concerning Payment for Commuter Passengers Using Flash Tickets" dated April 1, 1985, as amended, (hereinafter "Flash Tickets

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Agreement") provides for the honoring of certain NJ Transit tickets on certain Amtrak trains which are commonly known as "Clockers", as listed in Exhibit "A" to the Flash Tickets Agreement, and which Amtrak operates pursuant to the Flash Tickets Agreement with NJ Transit; and

WHEREAS, the Parties have executed an Amendatory Agreement dated October 1, 2001 to the New Initiatives Agreement which provides that in return for a payment of [REDACTED] by NJ Transit, Amtrak shall lease one railroad Slot per peak hour on the Operating Line to NJ Transit for a period of ninety-nine (99) years; and

WHEREAS, the Parties have executed an Amendatory Agreement dated July 1, 2001 to the Flash Tickets Agreement which provides that it is NJ Transit's intention to take over the operation of the peak period Clocker trains listed in Exhibit "A" to the Flash Tickets Agreement; and

WHEREAS, the Parties have agreed in the Amendatory Agreement to the New Initiatives Agreement that in the event that Amtrak ceases to provide the Clocker service listed in Exhibit "A" to the Flash Tickets Agreement and NJ Transit assumes such service, Amtrak shall lease two Slots per peak hour on the Operating Line to NJ Transit for a period of ninety-nine (99) years; and

WHEREAS, the Parties hereby desire to consummate and fulfill their respective obligations to enter into a lease agreement for the provision of certain railroad slots as per the Parties' understanding and intentions in the Amendatory Agreements to the New Initiatives Agreement and to the Flash Tickets Agreement;

NOW THEREFORE, in consideration of the mutual covenants and conditions herein stated and in consideration of the mutual covenants and conditions stated in the Amendatory Agreements to the Flash Tickets Agreement and the New Initiatives Agreement, which are hereby incorporated by reference, and intending to be legally bound thereby, the Parties hereby enter into this Lease as per the following terms and conditions:

1. Definitions:

(A) The term "NEC" shall mean the Northeast Corridor railroad property owned, operated and maintained by Lessor.

(B) The term "Operating Line" shall mean the portion of the Northeast Corridor (NEC) railroad between Penn Station, Newark, NJ and Penn Station, New York, NY, including the East River Tunnels and Sunnyside Yard. The Operating Line is located on the railroad right of way and property in Essex County and Hudson County, New Jersey and New York County and Queens County, New York.

(D) The term "A.M. Peak" shall mean the daily time period between 7:00 and 9:00 in the morning in the eastbound direction.

(E) The term "P.M. Peak" shall mean the daily time period between 4:30 and 6:30 in the afternoon in the westbound direction.

(F) The term "Intermediate Volume Plan" shall mean the rail service operating plan that will result from the completion of projects defined in §1.1 of the New Initiatives Agreement. This Plan provides for a total of twenty-five (25) NJ Transit and Amtrak trains in each direction per hour on the Operating Line to and from Penn Station, New York during the A.M. and P.M. peak periods as set forth in Exhibits "1-H-A" and "1-H-B" of the New Initiatives Agreement which are attached hereto as exhibits and made part of this Lease.

(G) The term "Slot" shall mean the interval of time required for the operation of one train of up to nine cars powered by either an ALP-44 or AEM-7 (or similar performance locomotive), or other similar performing trains over the Operating Line at the maximum authorized speed.

2. Grant of Lease and Term in Slot No. 19:

(A) For and during the term hereinafter specified and [REDACTED] Amtrak hereby leases and demises to NJ Transit and NJ Transit hereby rents and hires from Amtrak the 19th Slot during the A.M. and P.M. Peak periods as stated in Exhibits "1-H-A" and "1-H-B". No further payment will be demanded of NJ Transit in order for NJ Transit to perfect its leasehold interest; provided, however, that the grant of the leasehold interest hereunder shall not reduce NJ Transit's obligation to pay its share of the cost of operating and maintaining the Operating Line as per the terms and conditions of the Northeast Corridor Services Agreement or other successor agreement.

(B) The term of this Lease shall be for ninety-nine (99) years. The term of this Lease in the 19th slot shall commence on the date of execution of this Lease and shall terminate at midnight ninety-nine years thereafter unless this Lease is terminated earlier by Amtrak as provided under §3(A) of this Lease.

(C) Amtrak hereby declares and covenants that NJ Transit shall enjoy the peaceful and quiet use and enjoyment in the 19th Slot during the term of the Lease. Amtrak shall insure that the 19th Slot shall be dedicated exclusively to NJ Transit and no other person or entity shall interfere with NJ Transit's use and enjoyment in the 19th Slot.

(D) During the term of NJ Transit's leasehold in the 19th Slot, Lessee shall be permitted to operate without interference any commuter railroad train service which NJ Transit determines to operate in this Slot and which is permitted by governing law.

3. Amtrak's Conditional Option to Refund and Reclaim the 19th Slot

(A) As provided in the New Initiatives Agreement, in the event that it is impossible to attain 25 Slots per hour throughout the peak periods as described in Exhibit 1-H-A and 1-H-B and Amtrak exercises its option under § 2.2(a)(2)(iii)(D) of the New Initiatives Agreement to refund NJ Transit the \$10 million payment made by NJ Transit for the 19th Slot, NJ Transit's Lease in the 19th Slot shall terminate effective upon the receipt by NJ Transit of Amtrak's [REDACTED]

(B) Except for Amtrak's right to reclaim the 19th Slot as stated in §3(A) above, NJ Transit's leasehold in the 19th Slot shall not be terminable by Amtrak for any reason until the lapse of ninety-nine (99) years.

4. Grant of Lease and Term in Slots No. 20 and 21:

(A) Subject to the terms and conditions set forth in the Flash Tickets Agreement and the New Initiatives Agreement and in consideration of and contingent upon NJ Transit's commencement of operations of Clocker trains service listed in Exhibit "A" of the Flash Tickets Agreement, Amtrak hereby leases and demises to NJ Transit and NJ Transit hereby rents and hires from Amtrak a ninety-nine (99) year exclusive property lease in the 20th and 21st Slots during the A.M. and P.M. Peak periods as stated in Exhibits 1-H-A and 1-H-B. No additional payment or consideration will be demanded of NJ Transit in order for NJ Transit to perfect its leasehold interest in these Slots; provided, that the grant of the leasehold interest shall not reduce NJ Transit's obligation to pay its share of the cost of operating and maintaining the Operating Line as per the terms and conditions of the Northeast Corridor Services Agreement or other successor agreement.

(B) The term of Lessee's Lease in Slots No. 20 and 21 shall begin on the day when NJ Transit commences the operation of the peak period train service set forth in Exhibit "A" of the Flash Tickets Agreement.

(C) Amtrak hereby declares and covenants that NJ Transit shall enjoy the peaceful and quiet use and enjoyment in the 20th and 21st Slots for the term of ninety-nine (99) years as provided in this Lease for the 20th and 21st Slots. Amtrak shall insure that the 20th and 21st Slots shall be dedicated to NJ Transit's use and no other person or entity shall interfere with NJ Transit's use and enjoyment in these Slots.

(D) During the term of NJ Transit's leasehold in the 20th and 21st Slots, NJ Transit shall be permitted to operate without interference any commuter railroad train service which NJ Transit determines to operate in these Slots and which is permitted by governing law.

(E) Once commenced, NJ Transit's leasehold in the 20th and 21st Slots shall not be terminable by Amtrak for any reason until the lapse of ninety-nine (99) years.

(F) As provided in the New Initiatives Agreement, in the event that it is impossible to attain 25 Slots per hour throughout the peak A.M. and P.M. periods as described in Exhibit 1-H-A and 1-H-B and Amtrak exercises its option to refund NJ Transit the latter's [REDACTED] for Slot No. 19, the ninety-nine year lease granted by Amtrak to NJ Transit in Slot No. 20 and Slot No. 21 shall, upon NJ Transit's receipt of the [REDACTED] be immediately deemed and converted into a ninety-nine year Lease in Slots No. 19 and No. 20 as per the terms and conditions of this Lease.

5. Amtrak Covenants and Declarations

(A) For the duration of this Lease for the above-identified Slots, Amtrak hereby promises, covenants and declares that it shall not, without the prior written consent of NJ

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Transit sell, assign, encumber or otherwise transfer the Slots which are the subject of this Lease.

(B) The Parties hereby acknowledge that NJ Transit's leasehold interest in the above-noted Slots shall be subject to and subordinate only to the interests of the United States Government.

(C) Amtrak states and declares that this Lease is a valid, legally binding and enforceable obligation of Amtrak.

(D) Amtrak states and declares that the execution and delivery of this Lease has been duly authorized by all necessary corporate action on the part of Amtrak and that the execution, delivery and performance of this Lease will not violate any provision of Amtrak's governing instruments, charter or bylaws.

6. NJ Transit Covenants and Declarations

(A) NJ Transit states and declares that this Lease is a valid, legally binding and enforceable obligation of NJ Transit.

(B) NJ Transit states and declares that the execution and acceptance of this Lease has been duly authorized by all necessary agency action on the part of NJ Transit and that the execution, acceptance and performance of this Lease will not violate any provision of NJ Transit's governing instruments, governing laws, by laws, or judgments to which NJ Transit is subject.

7. Successors and Assigns; Recordation

(A) This Lease and the rights and obligations conferred and imposed hereunder shall be binding on and inure to the benefits of the successors, assigns and transferees of the Parties.

(B) The Parties to this Lease hereby agree that this Lease may be recorded by NJ Transit as NJ Transit may deem necessary in the appropriate land records offices in the Counties of Essex and/or Hudson, New Jersey and/or the Counties of New York or Queens, New York. Amtrak shall provide all necessary assistance to NJ Transit to ensure that this Lease is accepted for recordation. Costs of recordation shall be borne by NJ Transit.

8. Severability of Provisions

(A) If any provision of this Lease or the application of any such provision to any person or circumstance shall be held invalid or unenforceable, the remainder hereof, and the application of such provision to any person or circumstance other than those to which it is held invalid or unenforceable, shall not be invalidated or affected thereby.

IN WITNESS WHEREOF, the Parties have caused this Lease to be executed by the undersigned duly authorized officers.

NATIONAL RAILROAD PASSENGER CORPORATION (Amtrak)

By: E. S. Bagley Jr.

Name and Title: E. S. Bagley, Jr., Executive Vice President-Operations

Witness: John Bennett

~~STATE OF~~ District of)
Columbia)
~~COUNTY OF~~)

On the 12th day of December, 2001, before me personally came E. S. Bagley Jr., to me known, who being by me duly sworn, did depose and say that he is the EVP-Operations of National Railroad Passenger Corporation, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by like order.

Carla A. Jones
Notary Public, District of Columbia
My Commission Expires 04-30-2006

Carla A. Jones
Notary Public

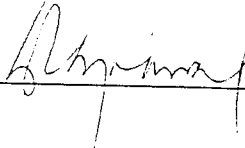
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E. S. Bagley Jr.

NEW JERSEY TRANSIT RAIL OPERATIONS, INC. (NJ TRANSIT)

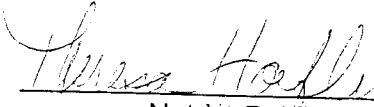
By: 

Name and Title: Stanley J. Rosenblum, Deputy Executive Director / CEO

Witness: 

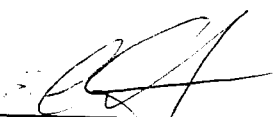
STATE OF New Jersey)
COUNTY OF Essex)

On the 2nd day of December, 2001, before me personally came Stanley Rosenblum, CEO, to me known, who being by me duly sworn, did depose and say that he is the Executive Director of New Jersey Transit Rail Operations, Inc., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by like order.


Notary REBECCA HOEPLING
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 4/23/2006

This Agreement has been reviewed and approved as to form.

John J. Farmer, Jr.
Attorney General of New Jersey


By: E. Philip Isaac
Deputy Attorney General of New Jersey